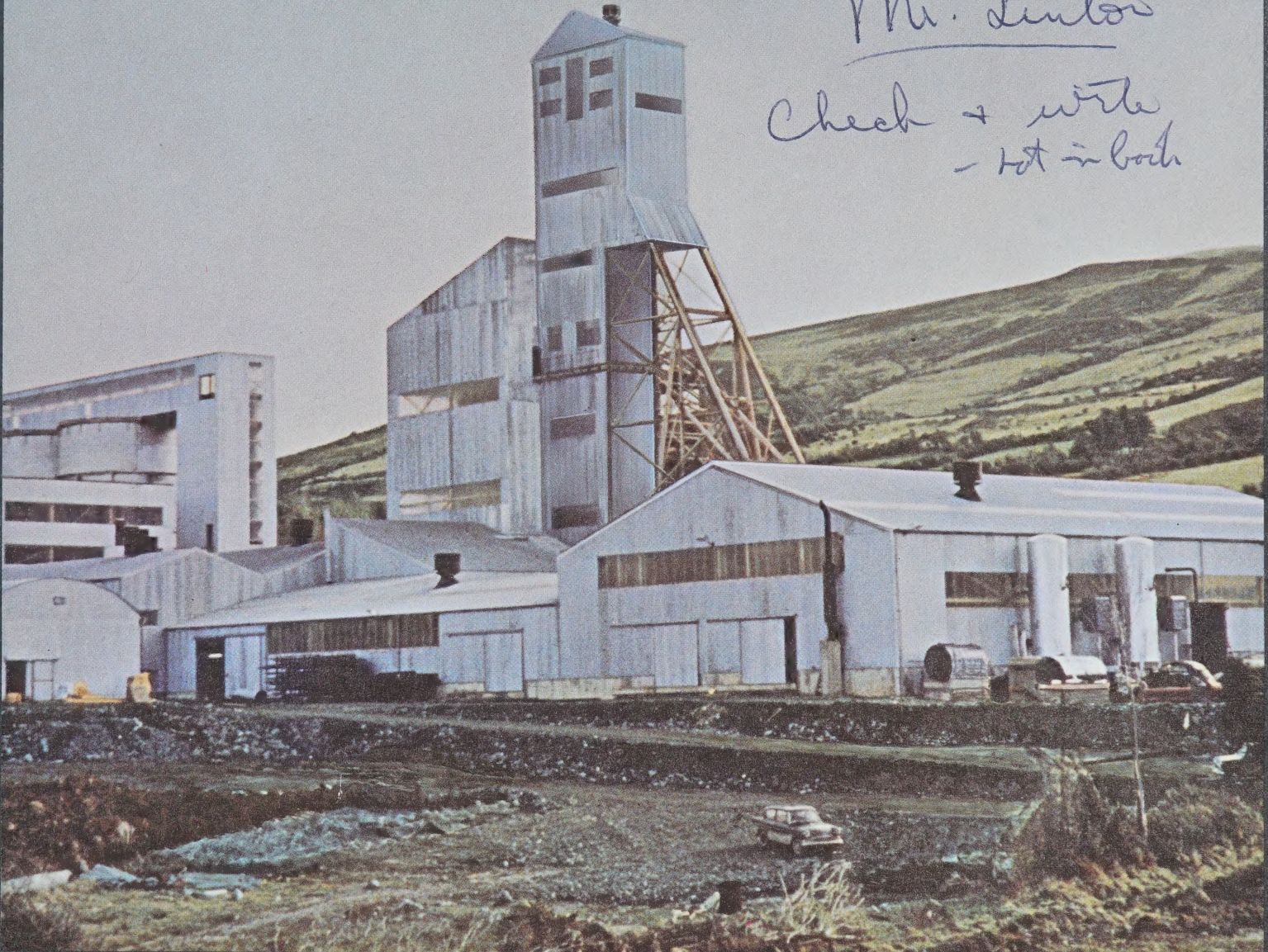



ANNUAL REPORT 1966

Mr. Linton
Check + write
- not in book



CONSOLIDATED
MOGUL MINES
LIMITED





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CONSOLIDATED MOGUL MINES LIMITED

ANNUAL REPORT 1966

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ANNUAL MEETING

Mayfair Room
King Edward Sheraton Hotel
Wednesday, June 28, 1967, 11:00 A.M.

*Cover illustrates magnitude of
3,000-ton per day surface complex
of Mogul of Ireland Limited.*

OFFICERS S. A. PERRY, F.C.I.S., *Chairman of the Board*
 D. W. KNIGHT, *President*
 G. D. PATTISON, C.A., *Executive Vice-President*
 R. D. BELL, C.A., *Secretary-Treasurer*
 W. E. ESSERY, C.A., *Asst. Secretary-Treasurer*

DIRECTORS R. D. BELL, C.A., Toronto, Ont.
 CHARLES F. W. BURNS, King, Ont.
 LATHAM C. BURNS, B.A., Toronto, Ont.
 P. S. CROSS, B.SC., Toronto, Ont.
 E. T. DONALDSON, Toronto, Ont.
 D. W. KNIGHT, Toronto, Ont.
 JOHN KOSTIUK, B.SC., Don Mills, Ont.
 E. B. McCONKEY, C.A., Scarborough, Ont.
 G. D. PATTISON, C.A., R.R. #2, Aurora, Ont.
 S. A. PERRY, F.C.I.S., Toronto, Ont.
 ANTHONY ROMAN, R.R. #2, Gormley, Ont.
 STEPHEN B. ROMAN, K.C.S.G., R.R. #1, Unionville, Ont.

AUDITORS THORNE, GUNN, HELLIWELL & CHRISTENSON, Toronto, Ont.

TRANSFER AGENT GUARANTY TRUST COMPANY OF CANADA, Toronto, Ont.
AND REGISTRAR

BANKERS THE TORONTO-DOMINION BANK, Toronto, Ont.

HEAD OFFICE Suite 509, 25 Adelaide Street West, Toronto, Ont.



DAVID KNIGHT

TO THE SHAREHOLDERS:

I am pleased to present to you on behalf of the Board of Directors this report of the activities of your company and the consolidated financial statements for the year ended December 31, 1966.

The company's major effort has been concentrated in the construction of the mining and milling plant at the Silvermines property of its subsidiary company in Ireland and the preparation of the mine for production. Your company's various other interests are outlined elsewhere in this report and the comments and information contained are intended to give you as complete a picture as possible.

The necessary consents have now been obtained to change the company's name to Mogul Mines Limited and you will be asked to give approval to this proposed change in name at the forthcoming Annual and General Meeting of Shareholders. Your directors feel that this change will be an improvement and in keeping with the company's progress.

The efforts of your technical staff were instrumental in pioneering the development of international interest in the mineral possibilities of Ireland. Today we are one of the principle organizations active in Ireland with widespread interests, including the Silvermines property which is expected to be in production early in 1968. It is of considerable significance to your company that the government of the Republic of Ireland

President's Report (continued)

is recognizing what the development of its mineral resources can mean in improving the country's economy and is doing everything possible to facilitate the efforts of its mining industry. Just recently the Minister of Finance introduced legislation providing for a 20-year tax-free period for mines commencing production before April 1986. This is of special importance to Mogul of Ireland Limited in considering the known potential for additional ore on its Silvermines property.

Because of tax incentives, Ireland offers a very favourable sphere of activity for mineral exploration and there is no doubt that a large volume of outside investment will be attracted. The farsighted attitude of the Irish Government is in direct contrast to the proposals for Canadian taxation made by the Carter Royal Commission which, if implemented, will seriously restrict the development of Canada's mineral resources.

I would now like to review briefly the status of some of the investment interests of your company:

Mogul of Ireland Limited

Your company owns a 75 percent interest in Mogul of Ireland Limited. This company's property in County Tipperary is, of course, the concentration of your company's main efforts. You will recall that extensive drilling indicated ore reserves of 11,400,961 tons of 8.16 percent zinc, 2.80 percent lead and 0.81 oz. silver per ton in the main G zone. The B zone contains approximately 2 million tons of 10 percent combined lead-zinc. The K zone contains approximately 600,000 tons of 6 percent combined lead-zinc.

All contracts have been let and construction and development toward production early in 1968 is proceeding as scheduled and within the estimated

costs. The plant has a designed capacity of 3000 tons per day and will produce approximately 700 tons of base metal concentrates daily. Civil work on the mill buildings is complete and mechanical and electrical installations are well advanced. The tailings disposal area has been completed as has the railway spur to the property. Dock and concentrate storage facilities at the port of Foynes are nearing completion.

As reported to you previously, the six-compartment Knight shaft has been completed to its 930 ft. depth and the mine is now being developed for production. To summarize briefly, the fourth level cross-cut underneath the ore area has been completed. The crosscut is designed to facilitate the ore and waste pass system. The main pumping station, the loading pocket and related spill pocket have been completed and are operating. Driving of the ore and waste pass system and excavation of the underground crusher station are making good progress. Work now is concentrated on the first, second and third levels in the preparation of these levels for stoping. The second level crosscut intersected the upper ore zone as anticipated. This drive cut 44 feet of mineralization of which 25.5 feet was massive. Sampling averaged 1.10 percent lead, 13.41 percent zinc and 0.25 oz. silver. These results confirm those obtained from the original surface diamond drilling.

Buildup and training of staff continues with 175 now on the payroll. All senior personnel have been engaged.

Canadian Dyno Mines Limited

Your company holds approximately 60 percent of the issued shares of Canadian Dyno.

Canadian Dyno is active in mineral exploration in Canada and holds a 10 percent interest in a

major exploration venture in Ireland managed by Consolidated Mogul and known as Basin Explorations (Ireland) Syndicate. Its uranium property in the Bancroft area of the Province of Ontario is held in good standing. Of particular interest are investments held by Canadian Dyno in shares of other companies, including the following:

1. A 16.4 percent interest in New Quebec Raglan Mines Limited. New Quebec Raglan which is controlled and managed by Falconbridge Nickel Mines Limited is developing an extensive nickel-copper property in the New Quebec-Ungava area. Additional diamond drilling is in progress and underground work is planned to develop the deposits previously indicated.
2. A 19.0 percent interest in Lorado Uranium Mines Limited. Lorado's main asset is a 16.5 percent interest in The Grand Bahama Development Company, Limited. The Development Company owns extensive land holdings in Grand Bahama Island as well as substantial interests in other companies which provide services for the island and has shown impressive growth over the past few years in line with the development of the island as a resort, residential and industrial complex. For its fiscal year ended October 31, 1966 the Development Company reported net profits of \$6,771,438 and retained earnings amounting to \$11,276,376. This Grand Bahama project has reached a most important stage and the rate of growth could well accelerate. It should also be noted that Canadian Dyno holds directly a small interest in The Grand Bahama Development Company, Limited.
3. A 17.4 percent interest in North Rankin Nickel Mines Limited. North Rankin is active in mineral exploration in Canada and also holds a 10 percent interest in the Basin Explorations

(Ireland) Syndicate. The company has ample finances to carry out its various programs.

Other Investments

The company also holds other important investments, including shares of Lorado Uranium Mines Limited, Irish Copper Mines Limited, Yale Lead & Zinc Mines Limited, McWatters Gold Mines, Limited and Panacolor, Inc., M.E.M. Consultants Limited, a wholly-owned subsidiary, which provides consulting services to affiliated and non-related mining companies.

Your company has maintained its activity in mineral exploration and its main projects during the year were in Ontario and Ireland. Investigations were also carried out in most of the Canadian provinces and Australia.

Following are some of the more significant of the company's exploration activities:

Basin Explorations (Ireland) Syndicate

The company holds a 50 percent interest in and manages this exploration venture in the Republic of Ireland. The Syndicate now retains or has under application 17 prospecting licenses covering about 200 square miles. A total of 13 licenses previously held have been surrendered. The field program has consisted of prospecting, mapping, geochemical soil testing and geophysical surveys. Several anomalous areas have been selected for diamond drilling this summer.

Greenhills Mining Company Limited

Under an agreement with Silvermines Lead & Zinc Company Limited your company will direct at cost the exploration of 12 prospecting licenses in Ireland and also earn a 25 percent interest. Initial work on this project is in progress.

President's Report (continued)

Ontario

Two hundred claims were staked in the Whitefish Bay area, Kenora district. A program of prospecting and geological mapping did not disclose significant evidence of mineralization. However 100 of these claims covering a belt of favourable geological structure have been retained pending results of considerable activity on surrounding claims.

General

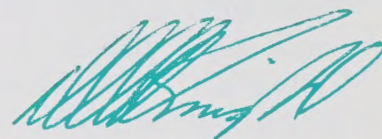
Over 100 prospects were investigated and evaluated during the past year. Several of these are of continuing interest to the company.

Your directors feel that your company has made progress and is reaching a key stage in its long-term development. Much of the effort has been concen-

trated on bringing into production the Silvermines property which will soon commence generating benefits. I am confident of a new and worthy future.

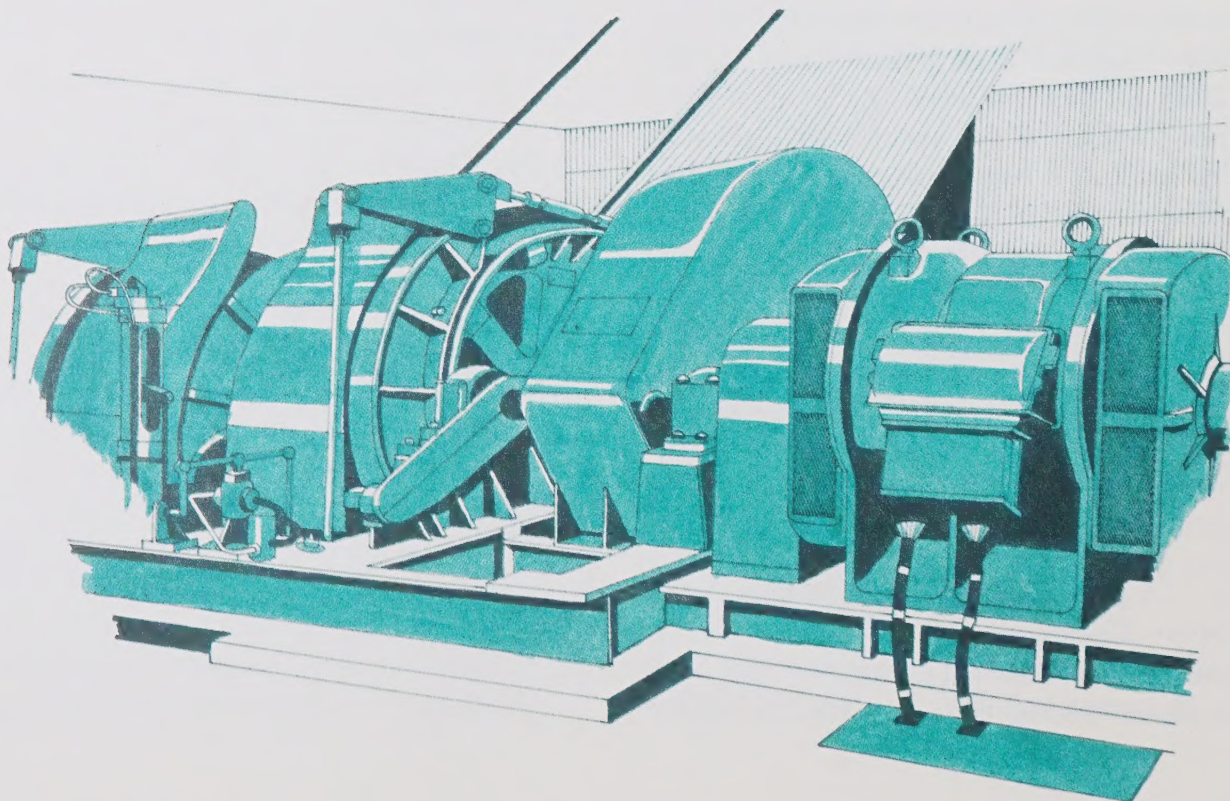
On behalf of the directors I wish to thank the staff, our consultants and associates for their excellent cooperation and efforts during the past year.

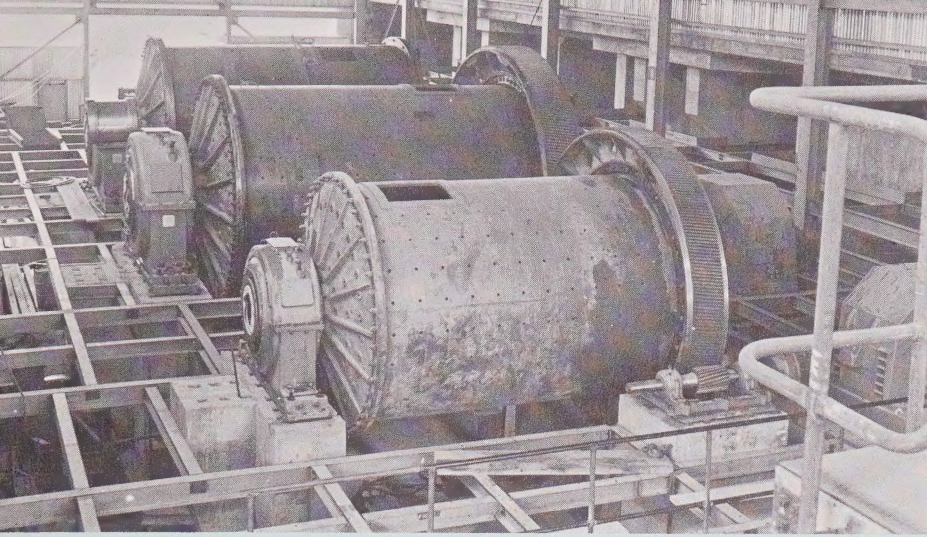
On behalf of your Board of Directors,



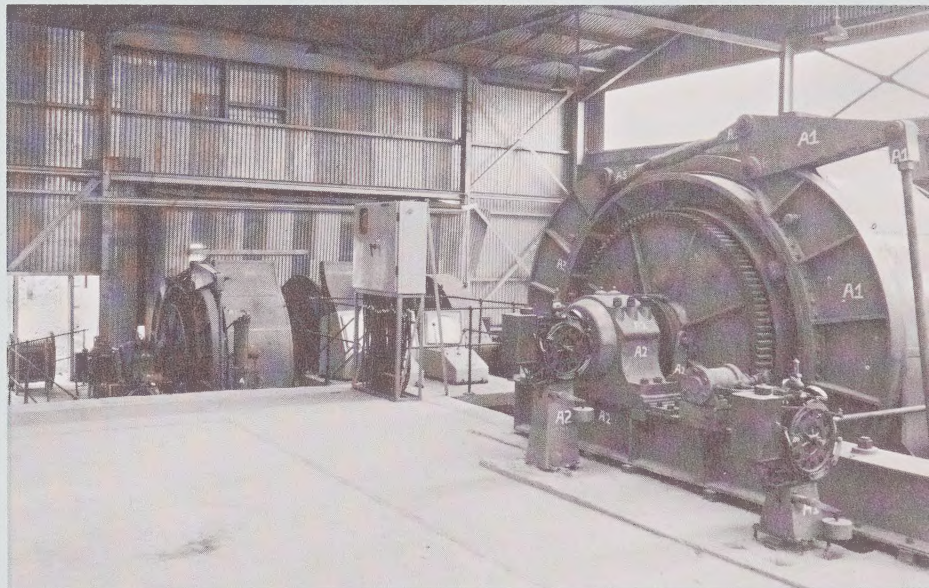
D. W. KNIGHT,
President.

Toronto, Ontario
June 5, 1967.





Grinding Bay



Hoist Room Area



Machine Shop-Warehouse

CONSOLIDATED BALANCE SHEET

ASSETS

CURRENT ASSETS:			
Cash and short-term bank deposit	277,398		
Accounts receivable	149,998		
Inventory of supplies (note 3)	207,767		
Prepaid expenses and deposits	27,130	662,293	
DEPOSITS (note 4):			
Income taxes under appeal	125,000		
Port dues	253,260	378,260	
INVESTMENTS (note 5):			
Subsidiaries not consolidated (note 6)	1,848,314		
Mining and other companies (note 7)			
Shares	1,091,900		
Debentures	1,438,483	2,530,383	4,378,697
FIXED ASSETS:			
In Ireland, Silvermines property			
Mineral leases and rights (note 8)	1,805,747		
Land, buildings, plant and equipment at cost	3,036,530		
Construction in progress	2,146,348	6,988,625	
In Canada			
Buildings and equipment, at cost less proceeds from disposals	213,407	7,202,032	
Mining claims and rights and deferred exploration and development thereon (note 9)		933,604	
DEFERRED CHARGES:			
Preproduction expenditures in Ireland	2,673,916		
Discount on First Mortgage Bonds, Series A, and financing expenses (note 2)	1,771,868	4,445,784	
Excess of cost of shares of subsidiary, Mogul of Ireland Limited, over book value on acquisition (note 1)		83,841	
		<u>\$18,084,511</u>	

Approved on behalf of the Board.

D. W. KNIGHT, Director.

R. D. BELL, Director.

The accompanying notes are an integral part of this statement



as at December 31, 1966

LIABILITIES

CURRENT LIABILITIES:

Accounts payable and accrued liabilities	865,281	
Income taxes payable	<u>1,782</u>	867,063

LONG-TERM LIABILITIES (note 2)

7% First Mortgage Bonds, Series A	7,000,000	
6¾ % First Mortgage Bonds, Series B	<u>2,156,818</u>	9,156,818
		<u>10,023,881</u>
Minority interest in Mogul of Ireland Limited (note 1)		376,875

SHAREHOLDERS' EQUITY

CAPITAL STOCK (note 10):

Authorized, 15,000,000 shares without par value		
Issued, 7,509,246 shares	7,509,246	
Contributed surplus, less deficit applied December 31, 1965	<u>404,248</u>	
	7,913,494	
Deficit	<u>229,739</u>	7,683,755

Contingent liabilities (note 11)

\$18,084,511

AUDITORS' REPORT

To the Shareholders of
CONSOLIDATED MOGUL MINES LIMITED

We have examined the consolidated balance sheet of Consolidated Mogul Mines Limited and its consolidated subsidiaries as at December 31, 1966 and the consolidated statements of income, deficit and preproduction expenditures for the year ended on that date. Our examination of the financial statements of Consolidated Mogul Mines Limited and of the consolidated subsidiary of which we are the auditors included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances. With respect to the subsidiary, Mogul of Ireland Limited, of which we are not the auditors, we have carried out such enquiries and examinations as we considered necessary in order to accept for purposes of consolidation the report of the other auditors.

In our opinion the accompanying consolidated balance sheet and consolidated statements of income, deficit and preproduction expenditures present fairly the financial position of the companies as at December 31, 1966 and the results of their operations for the year ended on that date, in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Toronto, Canada
January 12, 1967

THORNE, MULHOLLAND, HOWSON & MCPHERSON
Chartered Accountants

Consolidated Statement of Income

Year ended December 31, 1966

INCOME:

Consulting fees	161,253	
Interest earned	98,769	260,022

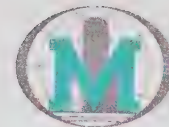
EXPENSES:

Cost of consulting services	148,830	
Directors' fees	6,500	
Executive salaries and administration	71,625	
General exploration	29,025	
Legal and audit	16,653	
Office salaries, supplies and rent	54,369	
Public relations and reports to shareholders	37,872	
Stock transfer and listing expenses	4,579	
Other	2,943	372,396
Loss before undernoted taxes		112,374
Taxes on income of subsidiary company		1,782
Loss for year		\$114,156

Consolidated Statement of Deficit

Year ended December 31, 1966

Loss for year	114,156	
Mining claims abandoned		
Cost	29,121	
Expenditures thereon	78,155	107,276
Net loss on guarantee (note 12)	46,439	
Advances to mining companies, written off	3,600	271,471
Deduct profit on disposal of investments		41,732
Deficit at end of year		\$ 229,739



Consolidated Statement of Preproduction Expenditures

Year ended December 31, 1966

	Balance at beginning of year	Expenditures during year	Balance at end of year
Directors' fees	9,589	12,814	22,403
Exploration	426,366		426,366
Metallurgical investigation	94,252	12,196	106,448
Plant design	349,050	422,594	771,644
Development	264,054	498,461	762,515
Administration and general charges	241,322	343,218	584,540
Preproduction expenditures in Ireland	<u>\$1,384,633</u>	<u>\$1,289,283</u>	<u>\$2,673,916</u>

Notes to Consolidated Financial Statement

Year ended December 31, 1966

1. BASIS OF CONSOLIDATION:

The accounts of two subsidiaries are consolidated in this financial statement, as follows:

Mogul of Ireland Limited

Pursuant to the terms of an agreement with Silvermines Lead & Zinc Company Limited, Mogul of Ireland acquired the rights in and to operate the mining property at Silvermines, County Tipperary, Ireland.

The investment in Mogul of Ireland, representing a 75% interest in the authorized and issued shares of that company, is carried on the books of the company at a cost of \$1,214,466. The value of the shares of Mogul of Ireland issued to its parent, according to the books of the subsidiary, is \$1,130,625. The cost to the parent company of its investment in Mogul of Ireland therefore exceeds book value by \$83,841.

The accounts of Mogul of Ireland are recorded in Sterling. In the accompanying consolidated financial statement a conversion rate of \$3.015 to £1 has been used, except in those cases where actual known dollar amounts are applicable to particular transactions.

M.E.M. Consultants Limited

This wholly-owned subsidiary conducts exploration programs and provides engineering, geological and other consulting services for other mining companies.

To the extent that M.E.M. Consultants performs services for the parent company and for Mogul of Ireland, the profit on such services has been eliminated on consolidation.

Notes to Consolidated Financial Statement (Continued)

2. FINANCING OF MOGUL OF IRELAND LIMITED:

Authorized

Financing arranged for Mogul of Ireland is considered sufficient to provide for bringing the property at Silvermines into production. The details of the financing authorized under the terms of the Trust Deed are as follows:

- (a) \$7,000,000, Canadian funds, principal amount of 7% First Mortgage Bonds, Series A, due September 1, 1975, interest to accrue from March 1, 1968.
- (b) \$6,500,000, U.S. funds, principal amount of 6¾% First Mortgage Bonds, Series B, due September 1, 1973, to be purchased at par by certain European smelter companies, interest accruing from date of issue.
- (c) \$1,000,000, U.S. funds, principal amount of 6¾% First Mortgage Bonds, Series C, due September 1, 1973, to be purchased at par (in Sterling) by a United Kingdom company, interest to accrue from date of issue.
- (d) \$6,500,000 U.S. funds, principal amount of 6¾% First Mortgage Bonds, Series D, due September 1, 1971, to be purchased at par by a United Kingdom bank, interest to accrue from date of issue. A standby fee of 1% per annum is payable by Mogul of Ireland computed from August 1, 1965 on the principal amount of Series D bonds authorized but not yet issued.
- (e) \$1,000,000, Canadian funds, principal amount, 6% note payable to Consolidated Mogul, interest accruing from November 29, 1965. No payment on account of principal or interest on this note is to be made until all Series A, Series B, Series C and Series D First Mortgage Bonds have been retired.

All bonds are and will be secured by a first fixed and specific mortgage and charge on all the real and immovable property of Mogul of Ireland Limited and all buildings and fixed plant, machinery and equipment constructed or acquired by it as part of the development program of the Silvermines property, together with all monies and securities from time to time forming part of the project fund (see below) and all contracts entered into for the sale of concentrates; also by a first floating charge on the undertaking and all other property and assets of Mogul of Ireland, both present and future.

Mogul of Ireland is required under the terms of the Trust Deed securing the bonds to establish a fund for their retirement by paying to the trustee, on or before September 1 in each of the years 1969 to 1974 inclusive, an amount

equal to its net cash flow from operations as defined in the Trust Deed. Notwithstanding the amount of the net cash flow available, Mogul of Ireland is required to have paid certain specific minimum amounts into the retirement fund on or before September 1 in each of the years 1971 to 1974 inclusive.

Issued and Outstanding

At December 31, 1966, Mogul of Ireland had realized from the issuance of bonds and the note an aggregate of \$8,589,818, Canadian funds, as follows:

(a) 7% First Mortgage Bonds, Series A

Proceeds from the issue of \$7,000,000 principal amount of Series A bonds were \$5,433,000. The discount of \$1,567,000, together with financing expenses of the issue of \$204,868, will be amortized over the remaining life of the bonds upon commencement of production, but dependent upon the rate of redemption.

(b) 6¾% First Mortgage Bonds, Series B

To date \$2,000,000 principal amount have been issued at par in U.S. funds, to net Mogul of Ireland \$2,156,818 Canadian funds. Subsequent to December 31, 1966 an additional \$1,000,000 principal amount have been issued at par in U.S. funds.

(c) 6% Note payable to Consolidated Mogul Mines Limited, \$1,000,000 Canadian.

Project Fund Held by Trustee

Proceeds from the issue of the First Mortgage Bonds are deposited with the trustee in a project fund. The monies in this fund become available to the company from time to time upon presentation to the trustee of certificates of expenditures incurred on the development program of the Silvermines property. There were no monies in the project fund at December 31, 1966.

As at December 31, 1966 Mogul of Ireland Limited had entered into firm commitments for capital expenditures amounting to approximately \$2,790,000 which will be payable out of the project fund upon issue of additional Series B bonds.

3. INVENTORY OF SUPPLIES:

This item consists of the following:

Supplies at the Silvermines property in Ireland, at cost	207,766
Supplies at the Harvey Hill mine in Quebec, at nominal value	1
	<u>\$207,767</u>



4. DEPOSITS:

Income Taxes Under Appeal

The company in 1964 deposited with the Receiver General of Canada \$125,000 in connection with income tax assessments totalling \$225,827 for the years 1957 to 1960 inclusive. The company's objections to these assessments have been upheld by decisions of the Tax Appeal Board and the Exchequer Court in 1965. The Minister of National Revenue has filed an appeal with the Supreme Court of Canada in respect of the above decisions.

Port Dues

Mogul of Ireland has deposited \$253,260 (£84,000) with the Foynes Harbour Trustees in connection with the construction of a pier. The deposit is recoverable over a period of ten years from the date of the first shipment of concentrates or January 1, 1969, whichever is the earlier, at the rate of 1 shilling (15¢ Canadian) per ton of concentrates exported through the port to a maximum of 1,680,000 tons. Should exports over the ten year period be below this figure the balance of the deposit is forfeited.

5. INVESTMENTS:

Investments in shares, including subsidiaries not consolidated, have been valued at the lower of cost less proceeds of disposals and quoted market values as at December 31, 1965. Shares without quoted market value are at cost less proceeds of disposals or at nominal value. Investments acquired subsequent to December 31, 1965 are recorded at cost.

6. SUBSIDIARIES NOT CONSOLIDATED:

Investments in other subsidiaries not consolidated are as follows:

	Net book value	Quoted market value	Minority interest
Canadian Dyno Mines Limited ..	1,124,630	2,335,000	40%
Irish Copper Mines Limited ..	664,923	443,300	47%
Others, including advances of \$44,198 ...	58,761		Various
	<u>\$1,848,314</u>	<u>\$2,778,300</u>	

Because of the substantial minority interest, it is not considered desirable to consolidate the accounts of these companies.

Because of the large blocks of shares held, the quoted market values for shares of Canadian Dyno and Irish Copper are not necessarily indicative of amounts that might be realized if these investments were to be sold.

The company's share of earnings of Canadian Dyno for the year ended July 31, 1966 amounted to approximately \$36,500. Earnings of Canadian Dyno for the current and prior years attributable to the shares held by Consolidated Mogul aggregate approximately \$1,316,900.

The investment in Irish Copper is valued at its quoted market value at December 31, 1965. Its subsidiary, St. Patrick's Copper Mines Limited, suspended operations in 1962, and remains in receivership.

Other subsidiaries are inactive or in their initial development stages, and their shares are without quoted market value.

Directors of the company received \$2,625 remuneration in 1966 in their capacity as directors of non-consolidated subsidiary companies.

7. INVESTMENTS IN MINING AND OTHER COMPANIES:

Shares

The quoted market value of these investments as at December 31, 1966 was approximately \$2,654,000, of which escrowed shares represented \$74,500 based on the quoted value of free shares.

Because in some instances large blocks of shares are held, market values are not necessarily indicative of amounts that might be realized if the investments were to be sold.

Debentures

These consist of \$1,319,000 principal amount of Consolidated Halliwell Limited 6½% debentures, due May 31, 1970, having a book value of \$1,271,958 plus interest accrued to December 31, 1966 of \$166,525.

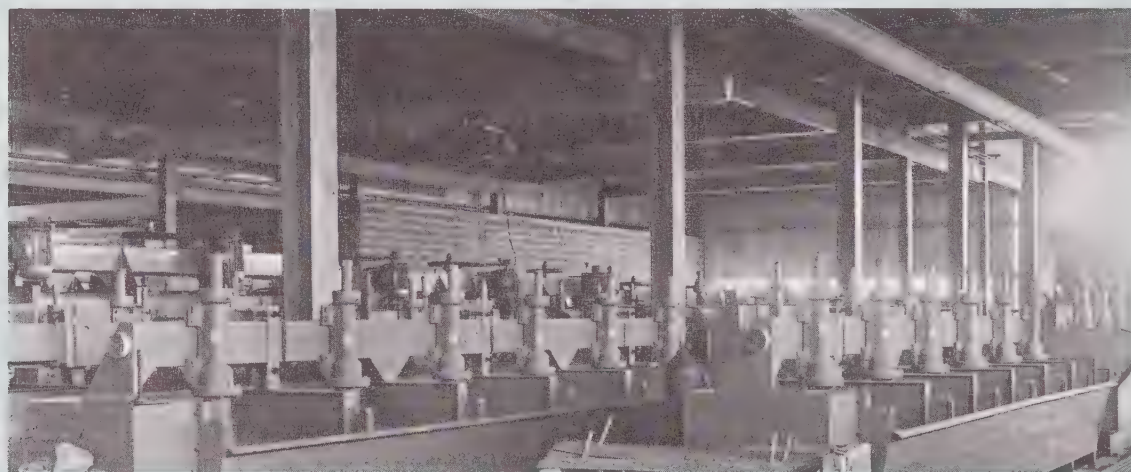
Book value consists of cost less proceeds from disposals to date. The debentures are without quoted market value because they are not actively traded, and their ultimate realizable value is dependent upon the success of Consolidated Halliwell's mining venture in Haiti.

By agreement between Consolidated Halliwell and its debentureholders, the latter have approved:

- (1) Postponement of the obligation to pay interest due December 1, 1964 until December 1, 1969, when



Mill switch room
showing motor control
centres



Mill flotation



Staff housing





MOGUL MINES LIMITED and its Consolidated Subsidiaries

CONSOLIDATED STATEMENT OF SOURCE AND APPLICATION OF FUNDS

(unaudited)

	Six months ended	
	June 30, 1968	June 30, 1967
SOURCE		
Proceeds from sale of investments in shares of mining and other companies	\$1,429,477	\$ 275,678
Proceeds from sale of 6¾% First Mortgage Bonds:		
Series B		4,327,568
Series D	2,140,000	
Sale of capital stock		6,000
Recovery of advances previously written off		1,099
Sale of equipment in Canada	1,377	
Interest on notes payable not involving an outlay of funds	23,040	
	<u>3,593,894</u>	<u>4,610,345</u>
APPLICATION		
Preproduction expenditures in Ireland less estimated production to date	1,413,276	1,032,011
Fixed asset additions in Ireland	400,735	1,930,576
Investment in shares of subsidiary companies	532,271	
Loss for period	77,822	38,249
Advance to subsidiary not consolidated	1,622	32,218
Investments, increase in accrued debenture interest	28,701	45,068
Deferred exploration and development expenses	1,651	2,637
Adjustment of prior years' taxes		115
	<u>2,456,078</u>	<u>3,080,874</u>
Increase in working capital	1,137,816	1,529,471
Working capital (deficiency) at beginning of period	1,207,811	(204,770)
WORKING CAPITAL AT END OF PERIOD	<u>\$2,345,627</u>	<u>\$1,324,701</u>

CONSOLIDATED STATEMENT OF INCOME

(unaudited)

	Six months ended	
	June 30, 1968	June 30, 1967
INCOME		
Consulting fees	\$ 90,356	\$ 72,527
Interest earned	53,732	75,629
	<u>144,088</u>	<u>148,156</u>
EXPENSES		
Cost of consulting services	33,480	36,000
Directors' fees	3,000	3,000
Executive salaries and administration	42,600	41,217
General exploration	48,935	56,232
Legal and audit	6,496	4,620
Office salaries, supplies and rent	28,569	26,127
Public relations and report to shareholders	16,613	8,339
Stock transfer and listing expense	2,777	2,403
Interest expense	23,040	
Other	16,400	7,757
	<u>221,910</u>	<u>185,695</u>
Loss before undernoted taxes	77,822	37,539
Taxes on income of subsidiary company	—	710
LOSS FOR PERIOD	<u>\$ 77,822</u>	<u>\$ 38,249</u>



MOGUL MINES LIMITED

SUITE 509, 25 ADELAIDE ST. W.
TORONTO 1, ONTARIO

TO THE SHAREHOLDERS:

Submitted herewith is financial information concerning your Company for the six months ended June 30, 1968 with comparative figures for the same period in 1967.

Since the commencement of milling in May of this year, tune-up operations at the Silvermines property of the Company's subsidiary in Ireland have proceeded in a satisfactory manner with only minor problems encountered to date.

D. W. KNIGHT,
President.

Toronto, Ontario,
August 21, 1968.